

By developing sales promotion campaigns which featured special offers on the purchase of equipment with the purchase of Honegger "Big H" feeds, the production at this Taylorville plant increased to the point that in 1958 Honegger-made equipment was being sold to other dealers as far away as New Mexico.⁴¹ The Taylorville plant was also enlarged by the purchase of adjacent land and the erection of more buildings. This plant was further enlarged in 1959 with the purchase of the Macomb Steel Products Division of Vulcan-Hart Corporation of New York located in Macomb, Illinois. This new purchase was merged with the Taylorville operation under the new name, McComb Steel Products Corporation. The merge operations of the Taylorville-McComb businesses were profitable at first. But the operation eventually met with severe enough reverses financially, that the entire business was sold in 1961 to Rockwood and Co., a Delaware Corporation, through its James Manufacturing Company division.⁴²

The year 1958 also saw further expansion of the Honegger business enterprises. A membership on the Chicago Board of Trade was obtained in this year which became effective in 1960. Additional grain storage facilities were constructed at the Fairbury plant in the next year, 1959, at a cost of approximately 850,000 dollars.⁴³ Other building expansion

⁴¹ Honeggers' & Co., Inc., A History of Honeggers' & Co., Inc., p. 7.

⁴² Honeggers' & Co., Inc., Corporate Minutes: Executive Committee Minutes, II, 1959-1962.

⁴³ Honeggers' & Co., Inc., Corporate Minutes, V, 1958.

occurred at the various Honegger plants in 1959, for a total expenditure of nearly 1,165,000 dollars.⁴⁴ The Honegger policy concerning grain handling changed as a result of the above, during the years 1961, 1962, and 1963, from a policy of storage only to a policy of storage and grain merchandising.

The year 1958 also saw the second of the three professional managers of Honeggers take office as president of the Company. This was Dickey, mentioned above, who had been associated with the feed and grain industry for 30 years before joining Honeggers. Immediately before his employment with Honeggers, he had been in the feed and grain brokerage business and was serving as Executive Director of the Illinois Feed Association. During the summer of 1959 he visited feed manufacturers and their plants, farmers, feed dealers, and colleges, as well as local, state, and government officials in France, Spain, Italy, Switzerland, Germany, Belgium, England, and Scotland studying facilities, production techniques, products, and college and industry feeding and breeding research projects.⁴⁵ The resignation of Dickey in 1963 and his premature death in 1965 was a loss to both Honeggers and to feed industry.

Also in 1960 the first record of serious labor-management difficulties at Honeggers' & Co., Inc., occurred. A Union attempt to organize at the Fairbury mill failed in an election held April 14, 1960.⁴⁶

⁴⁴ Honeggers' & Co., Inc., Corporate Minutes, VI, 1959-1960.

⁴⁵ Honeggers' & Co., Inc., Historical & Statistical Analysis, p. 25.

⁴⁶ Honeggers' & Co., Inc., Corporate Minutes, VI, 1959-1960.

However, after management had alleviated the conditions that led to the labor dispute, a union contract was negotiated with the company for the mill workers in 1963 with the American Federation of Grain Millers which is an affiliate of the AFL-CIO.⁴⁷ The second mill to organize a union branch was the mill at Indianola, Iowa, where the mill hands voted a union contract in October, 1968. It is important to point out here, that including the worker's dispute in 1960 at the Fairbury mill, there have been no work stoppages or strikes at any Honegger installation in the history of the company.

The next major expansion of Honeggers' & Co., Inc., occurred in 1961. In an effort to provide further services to Honegger customers and dealers, the board of directors of Honeggers approved the formation of the Central Farm Credit Corporation, August 29, 1961, in association with Honegger Farms Co., Inc. Each of the two parent corporations invested approximately 250,000 dollars to establish this new company.⁴⁸

Since 1961 minor expansion has occurred at Honeggers, consisting primarily of the purchase of former associate dealers stores and/or mills. These plus the sale of the company in late 1968, will be discussed below in the discussion of the plants and equipment operated by Honeggers' & Co., Inc.

Characteristics and Conditions of Production

Honeggers' & Co., Inc., is engaged in the business of manufacturing and selling formula feeds and, until 1968, the manufacture and selling

⁴⁷ Honeggers' & Co., Inc., Corporate Minutes, VIII, 1963-1965.

⁴⁸ Honeggers' & Co., Inc., Corporate Minutes, VII, 1960-1962.

of farm buildings for livestock and poultry, all of which are marketed under the trade name of "Honegger Big H" feeds. As a part of the retailing operation, the company also is active as a grain merchandiser, operating from the retail locations. During the fiscal year ended June 30, 1961, the sale of feed, feed ingredients, and grain accounted for approximately 90 per cent of the Company's total sales; the sale of farm buildings made up approximately 5 per cent; the sale of live-stock and poultry equipment made up approximately 2 per cent; and the sale of miscellaneous items made up approximately 3 per cent of the total sales.⁴⁹

Honeggers' main feed manufacturing facilities, located in Fairbury, Illinois, with original cost, including additions of nearly 1,000,000 dollars consists of a modern, push-button-type feed plant, together with warehouse and grain storage facilities. The mill was constructed in 1949, and has an approximate capacity, on a three shift basis, of 17,000 tons of mixed feed per month. The mill and attendant facilities are located on approximately 11.2 acres of land owned by the company which lies between and is serviced by switch tracks of the Norfolk and Western Railroad (inbound) and the Toledo, Peoria, and Western Railroad (two outbound).⁵⁰

The plant facilities include 12 reinforced concrete grain storage tanks having a total storage capacity of 120,000 bushels of small grains

⁴⁹ Honeggers' & Co., Inc., Historical & Statistical Analysis, p. 1.

⁵⁰ Ibid., p. 8.

and feed ingredients. There is also a four-story feed mixing building with three adjoining one-story concrete block warehouses having a total of 32,500 square feet of floor space. The warehouses have concrete floors built up to dock height extending approximately 375 feet along the loading dock and have an attached loading shed. Adjoining the four-story mixing building is a two-story reinforced concrete office and laboratory building which has approximately 3,600 square feet of floor space.⁵¹

Covered loading docks are provided for truck shipment and a rail loading dock provides for the loading of 16 railroad box cars under cover at one time. Some 10 additional cars can be loaded simultaneously from the same dock, but not under cover.⁵²

A new 850,000-dollar grain handling, storing, and merchandising facility consisting of four concrete silos with 150,000-bushel capacity and a flat, metal storage building with 1,750,000-bushel capacity was completed in 1959. This new facility greatly improves the Fairbury mill's profit potential by reason of providing more adequate storage space for raw ingredients used by the mill in manufacturing feed products.⁵³

Honeggers' also owns a grain elevator and retail farm store (the original Fairbury installation now used as a warehouse and slated for demolition in late 1969) next to the main office building in downtown Fairbury.

51 Ibid.

52 Ibid.

53 Tabor & Co., Offering Circular: Honeggers' & Co., Inc., January 26, 1968, p. 3.

Other facilities owned or leased by Honeggers' & Co., Inc., are as follows: (1) a feed manufacturing building and warehouse located in Indianola, Iowa, on slightly less than one acre of land with a capacity of 3,000 tons of mixed feed per month, (2) a grain elevator, mill, and warehouse property in Lincoln, Nebraska, with a capacity of 4,000 tons of mixed feed per month, (3) three and one-half acres of land at Onawa, Iowa, the remains of the formerly owned Thrive Center, (4) manufacturing facilities located in Keystone, Iowa, with a monthly capacity of approximately 2,000 tons of mixed feed per month, manufacturing facilities at Maquketa, Iowa, (5) manufacturing facilities at Atkinson, Illinois, with approximately 2,000 tons of mixed feed capacity per month, (6) a small facility to manufacture feed in Dakota, Illinois, (7) a retail feed store facility at Walcott, Indiana, (8) a 500 ton per month feed mill at Morocco, Indiana, (9) a feed mill and warehouse at Haysville, Indiana, (10) warehouse facilities at Defiance, Ohio, (11) feedlot facilities for 600 head of cattle at Keystone, Iowa, (12) retail warehouse facilities at Huntington, West Virginia, and (13) 6.5 acres of land for research adjacent to the 600-acre research farm at Forrest, Illinois.⁵⁴

Characteristics of Products

Honeggers' & Co., Inc., follows the formula feed industry in producing feed in the three basic forms: pellets, crumblings, and mash. Variations of "Big H" feeds include: complete feeds, concentrates and supplements, and blends sold to secondary manufacturers who mix to a complete

⁵⁴ Interview with Virgil Hulse, Controller and Assistant Secretary, Honeggers' & Co., Inc., October 14, 1968.

ration according to Honeggers' recommended formula.⁵⁵

Feed is produced in bulk, which accounted for 48 per cent of total feed production in September, 1968, or in 50-pound paper bags. Although cattle and swine feed are the major feeds produced, Honeggers' manufacture a total of some 100 different kinds of animal and poultry feeds in some 350 different forms.⁵⁶

Marketing Channels and Techniques

Honeggers' & Co., Inc., distributes its products primarily in 17 states with their greater volume of distribution centered in the midwest.

The Company markets its products principally through approximately 400 Honegger dealers and its own retail feed stores in Indianola, Iowa, and in Lincoln, Nebraska. The Honegger products are sold only through its franchise dealers who are also franchised to distribute Honegger chicks for Honegger Farms Co., Inc. The sales policy of the Company places emphasis on the ability of its franchised dealers to offer a complete line of feeds, supplies, and equipment as well as to supply layer chicks to the farm customer.⁵⁷

Approximately two-thirds of the Honegger feed production is shipped from its plants in railroad box cars and bulk cars. Some of the livestock and poultry equipment is warehoused at Honegger feed plants and shipped to dealers by rail in connection with a shipment of feed. Delivery of finished feed in 1968 was: 43.1 per cent by rail shipment, 39.4 per cent by truck shipment, and 17.5 per cent by customer-truck pick-up.⁵⁸

⁵⁶ Ibid.

⁵⁷ Honeggers' & Co., Inc., Historical & Statistical Analysis, p. 17.

⁵⁸ Interview with Charles Sass, op. cit.

Feed sales are by sight draft (bills of lading attached), 30 and 60 day trade acceptance, open account, or by payment on receipt of invoice (7 day basis).

Extensive advertising campaigns have been conducted in the last three to five years in the national farm, trade, and consumer publications as well as in local publications, radio, and television in the areas where dealers and stores are located. However, due to the ineffectiveness of radio and television advertising and some other advertising in relation to the expenditure of funds, this aspect of the Honegger advertising has been substantially reduced effective

⁵⁹
June 30, 1968.

Characteristics of the Market Area

There are an extremely large number of companies in the formula feed manufacturing business. The oldest feed manufacturer in the United States, in continuous operation is Blatchford's of Waukegan, Illinois, which was founded by John W. Barwell, an Englishman, in 1875. The Ralston-Purina Company is the largest feed manufacturer in the United States today, operating some 58 plants and producing some five-million tons of feed in 1960.⁶⁰ Ralston-Purina is the largest of some 75 feed manufacturers arbitrarily classified as "large" by the formula feed industry. This means that each of the 75 firms operates

⁵⁹ Interview with Marshal Kaisner, Director of Advertising, Honeggers' & Co., Inc., January 6, 1968.

⁶⁰ Dr. Robert W. Schoeff, "The Formula Feed Industry," Feed Production Handbook (Manhattan, Kansas: Feed Production School, Inc., 1961), p. 15.

more than one plant and produces at least 100,000 tons of feed per year.⁶¹ Ralston-Purina's nearest competitor in 1960, produced only one-million tons of feed.⁶² Other principle Honegger competitors are Central Soya Company, Allied Mills, Inc., Cargill, Inc., General Mills, The Pillsbury Co., and local manufacturers in the areas served.

A second group of firms numbering some 130 are considered "small" by the formula feed industry. These firms produced 50 to 100,000 tons of feed annually.⁶³

In view of the above figures, Honegger statements concerning their size in the industry are correct when they say,

. . . the Company believes itself to be one of the major feed manufacturers in the midwest, which is its primary market area. Nationally the Company considers itself one of the medium-sized feed manufacturers.⁶⁴

To remain competitive in the selling of mixed animal feeds, Honeggers maintains an eight-man research staff headed by a specialist in dairy nutrition who conducts the Honegger program for feed research and animal and poultry development. This staff is assisted by two college professors who are retained on a consulting basis. One is a specialist in swine and beef cattle nutrition and the other is a

⁶¹ Samuel A. Matz, The Chemistry and Technology of Cereals as Food and Feed. (Westport, Connecticut: The AVI Publishing Company, Inc., 1959), p. 406.

⁶² Dr. Robert W. Schoeff, Feed Production Handbook, op. cit., p. 15.

⁶³ Ibid.

⁶⁴ Honeggers' & Co., Inc., Historical & Statistical Analysis, p. 18.

specialist in poultry nutrition. Honeggers spends in excess of 100,000 dollars annually on animal and poultry nutrition, research, and control. Feeding and research tests by Honeggers are carried out on the 600-acre research farm located three miles south of Forrest, Illinois, where feeding tests designed to increase the production and lower the cost of meat, milk, and eggs are constantly in progress. Honeggers also employs a college economist for research studies on commodities used by the company.⁶⁵

Feeding operations in the midwestern United States, prime Honegger sales territory, are geared to the feeding of cattle and swine more than any other livestock. Several characteristics of this area must be considered by any feed manufacturer contemplating marketing of products in the area. These characteristics are not necessarily unique to this market area. The Atlantic territory was a lucrative market area immediately preceding the Second World War as it was then a grain deficit area. This means that there were few or no mills producing finished feed, which in turn meant that nearly all finished feed had to be shipped into the area from producers further inland. Now that mills have been built and are operating in the area, Mid-western firms on a solid financial basis.⁶⁶

Another characteristic of the current market area is that livestock feeders are showing a preference for bulk feeds rather than bagged feeds (refer to Honegger figures on feed shipments page 57). Honegger shipments

⁶⁵ Ibid., pp. 18, 19.

⁶⁶ Interview with Gordon D. Honegger, son of co-founder Sam Honegger, unaffiliated with Honeggers' & Co., Inc., July 24, 1968.

reflect this in that 10 years ago only about 10 per cent of their products were shipped in bulk form, whereas in 1967-68, 48 per cent of their shipments were in bulk form.⁶⁷ There are several reasons for this change. In the first place, large scale and even smaller feeding operations are more efficient with bulk feed and handling equipment. In quantity lots, bulk feed is also cheaper than bagged feed. Lastly, bulk feed is more convenient to handle and store.

In the Mid-western area, rail lines do not serve all areas. Truck shipment is more convenient, or the only way, to service some customers in this area. Thus, for this and other reasons, trucks are being used more than in the past to ship feed. Honeggers use trucks on the average of two and one-half per cent more every year.⁶⁸ Railroad companies appear to prefer large volume, long distance customers and consequent practices tend to discourage rail shipments in small quantities or for short distances. Also, with more and improved highways having been built in the last decade, truck shipments are more economical and feasible than in the past.

Financial Structure and Condition

Although Honeggers' & Co., Inc., had incurred some financial crises and difficulties prior to the 1960's, none of these crises were of such major proportion so as to present any serious financial difficulties. However, beginning the decade of the 1960's, the Company began to meet

⁶⁷ Interview with Charles Sass, op. cit.

⁶⁸ Ibid.

reverses which for the most part were due to earlier judgmental decisions in the middle 1950's. During the mid 1950's, the Company overextended itself on loans and/or credit. These delinquent accounts were carried for many years before some of them were simply written off as uncollectible. Also, an overzealous expansion program executed prematurely added to the financial difficulties a decade later. This last idea is stated in the sense that the Honegger operation was operating in diverse fields with little experience, ability, or unity.

The first loss incurred by the Honegger corporation in its history occurred at the end of the fiscal quarter ending March 31, 1960, although the Company did show a profit for the fiscal year.⁶⁹ The first time the Company ceased to pay dividends occurred at the end of the fiscal quarter ending March 31, 1963.⁷⁰ The first loss for the full fiscal year occurred at the year ending June 30, 1963, and amounted to 90,494 dollars.⁷¹ The onset of financial difficulties and further evidence of developing difficulties in the profitability of Honeggers' is reflected in Table 9.

⁶⁹ Honeggers' & Co., Inc., Annual Report, year ending June 30, 1960.

⁷⁰ Honeggers' & Co., Inc., Annual Report, year ending June 30, 1963.

⁷¹ Ibid.

TABLE 9

HONEGGER'S & CO., INC., NET INCOME NUMBER OF
 EMPLOYEES AND EARNINGS PER SHARE OF STOCK
 1947-1968^a

Year	Net Income (dollars)	Number of employees	Earnings Per Share of Stock
1947	151,942		
1948	50,069		
1949	129,854		
1950	137,170		.52
1951	130,755		.49
1952	90,104		.34
1953	110,882		.42
1953 ^b	390,000		---
1954	112,878		.43
1955	145,316		.53
1956	157,420		.59
1957	131,321	212	.49
1958	249,207	290	.88
1959	228,860	498	.86
1960	94,746	407	.30
1961	284,486	464	.94
1962	134,106	317	.45
1963	-90,494	282	-.29
1964	94,939	256	.30
1965	-19,986	284	-.06
1966	85,005	283	.27
1967	153,765	304	.49
1968	-543,026	293	-1.74

b Adjustment due to spin-off of Honegger Farms Co., Inc.

^aHoneggers' & Co., Inc., Annual Reports, 1947-1968.

Still further evidence of the developing difficulties of Honeggers' & Co., Inc., is reflected in Table 10 below.

TABLE 10
VALUE OF HONEGGER STOCK PER SHARE
1946-1966^a

Year	Value Per Share (Dollars)
1946	25.00
1948	40.00
1949	42.00
1950	50.00
Dec.	1954
Feb.	1956
Sept.	1956
Aug.	1957
Jan.	1958
Jan.	1959
Jan.	1960
Jan.	1961
Dec.	1962
Dec.	1963
Dec.	1964
Dec.	1965
Dec.	1966

^aHoneggers' & Co., Inc., Annual Reports, 1964-1968.

A third factor reflecting, to some extent, the impending crisis is indicated in the annual tonnage production record of all Honegger plants as shown in Table 11. As profits declined or losses were incurred, tonnage declined, although total production still remained relatively high.

TABLE 11

HONEGGER'S' & CO., INC., ANNUAL TONNAGE
 ALL MILLS 1949-1965^a

Year	Annual Production (tons)
1948-49	28,311
1949-50	36,478
1950-51	64,183
1951-52	85,746
1952-53	85,913
1953-54	110,222
1954-55	120,783
1955-56	121,682
1956-57	124,230
1957-58	127,763
1958-59	147,655
1959-60	127,283
1960-61	150,081
1961-62	125,155
1962-63	137,541
1963-64	116,115
1964-65	110,000

^aHoneggers' & Co., Inc., Prospectus, December 12, 1958, and Clarence S. Bell, President's Report to the Board of Directors, October, 1964.

As mentioned earlier in this chapter, the second professional president and manager of Honeggers' & Co., Inc., E.F. Dickey, resigned in April of 1963. An interim period followed until the third professional manager was hired, Clarence S. Bell, who took office effective September, 1964. Bell had a long history of managerial experience, and he was hired with the expectations that he would bring an end to the

financial reverses of the Company and provide the leadership needed for future profitable years. Within a short time Bell outlined the cause of the Company's problems as a major management problem divided into four areas: (1) Marketing, (2) non-productive capital, (3) extraordinary expenses, and (4) outstanding accounts receivable.⁷²

In simplified form Bell's solution was the recruitment of top-grade personnel and the proper placement of these personnel within the company. Prior to Bell's employment with the Company, an Evanston, Illinois, firm, Tec Search, Inc., specializing in management evaluation, submitted their report.⁷³ This report [which the author was not allowed to examine] dealt with specific personnel and recommended specific changes and assignments of these personnel.

Under the management of Bell, Honeggers' & Co., Inc., is slowly recovering financial stability and soundness. President Bell was optimistic in his analysis of the condition of the Company in his letter in the 1966 Annual Report:

The fiscal year ended June 30, 1966, was one of sound growth and constructive progress. Market trends for the first eight months of the year did not permit us to realize the margins in the Grain Division that we had experienced the year before. Grain storage income, however, was increased over 1965. Margins from grain handling operations in 1965, were abnormally high and it is seldom that we would expect this much income from grain operations in a normal year.

⁷² Honeggers' & Co., Inc., Corporate Minutes, VIII, 1963-1965.

⁷³ Tec-Search, Inc., Recommendations for Organizational Structure (Evanston, Illinois: April 24, 1964).

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Results were extremely gratifying in the Feed Division and in the Building and Equipment Division. Feed Division sales increased by \$1,329,000 or 14 per cent over 1965. The Building and Environmental Control Division increased sales by \$1,200,000 which represented a 120 per cent increase over 1965. The increases in the Feed and Building Divisions together with the decrease in grain margins made a total increase in company sales of \$2,322,000 or 21½ per cent over the previous year. Net income for the company in 1966 was \$85,000 as compared to a loss of \$20,000 in 1965.

Working capital during the year increased ~~from~~ \$2,281,295 in 1965 to \$2,351,392 in 1966⁷⁴ and current ratio showed material improvement over last year ~~2.2:1~~ in 1965 and ~~2.8:1~~ in 1966⁷⁴

Again in 1967, President Bell presented a picture of improvement in Company finances in the Annual Report:

Total sales of slightly over \$15,000,000 represented the second highest volume on record for the company, when only grain margin sales are considered. This was a 14 per cent increase in sales over the previous year. Profit of \$153,700 was the highest in the last six years. The profit increase was 81 per cent over the previous year.⁷⁵

With a nearly one-half million dollar loss in the year ending June 30, 1968, the President's message was somber but still indicative of optimism:

Although last year's operations resulted in a loss, we can pin-point over \$500,000 of this loss in non-recurring expenses. A major portion of the non-recurring items was in the 58 per cent owned Central Farm Credit Corporation

The total loss in the Central Farm Credit Corporation was \$322,000, due to bad-debt writeoffs and reserves. These reserves and writeoffs were basically against loans that were made four, five, and six years ago. Since that time the screening process and investigative process has been

⁷⁴ Honeggers' & Co., Inc., Annual Report, year ending June 30, 1966.

⁷⁵ Honeggers' & Co., Inc., Annual Report, year ending June 30, 1967.

strengthened, as well as the strengthening of field reporting and follow up with clients of C.F.C.C.

We consider that the past year was a year of cleanup of weak credit and unprofitable operations, most of which date back several years.

We have forecast a profitable year ahead and with the combination of the factors we have outlined, we go into the new year with a feeling of optimism toward making this forecast.⁷⁶

The fact that Honeggers' & Co., Inc., is still in a sound and reliable financial condition is born out by the Dunn and Bradstreet report on Honeggers', dated July 19, 1968. In this report, the figures were as follows: SALES, \$15,006,133; WORTH, \$3,821,155; EMPLOYEES, 225; RECORD, clear; CONDITION, strong; TREND, up; and the record continues:

this 39 year old company continues under the direction of the founder and has grown steadily. Substantial volume is transacted on a profitable basis. Retention of earnings has resulted in growth of net worth and working capital. A sound financial condition is regularly maintained with cash and receivables in excess of current indebtedness.⁷⁷

The final chapter in the 40-year history of Honeggers' & Co., Inc., under the direction of the two founding Honegger brothers was written in the closing days of 1968. Victor Nemeroff, head of a group of Chicago investors and owners of Petroleum Resources Corporation, offered in early November of 1968, to purchase control of the Honegger corporation. The offer provided for the payment of \$5.50 for each Honeggers' common share tendered, with the qualifications that

⁷⁶ Honeggers' & Co., Inc., Annual Report, year ending June 30, 1968.

⁷⁷ Dunn and Bradstreet, Financial Report: Honeggers' & Co., Inc., July 19, 1968, p. 1.

Petroleum Resources Corporation would accept no less than 165,330 shares or 51 per cent, and would accept up to 184,510 shares or 60 per cent, of the approximately 312,534 shares outstanding. The offer was effective November 13, 1968, through December 4, 1968.⁷⁸

The purpose of this offer as stated by a representative of Petroleum Resources Corporation was:

. . . to enable Petroleum to obtain working control of Honeggers. Petroleum has no present plans to acquire any additional shares of common stock of Honeggers and has made no proposals to liquidate Honeggers, sell its assets, or to merge it with any other entity, or to make any other change in Honeggers business or corporate structure.⁷⁹

The offer of Petroleum Resources Corporation was accepted by the shareholders and 245,000 shares were tendered with 194,510 shares finally purchased so that on December 4, 1968, Petroleum Resources Corporation acquired 60 per cent control of Honeggers' & Co., Inc.⁸⁰ Currently, Honeggers' & Co., Inc. is operating and manufacturing feed under the name Honeggers' & Co., Inc., with the same executives as before the sale of the Company. Thus ends an era of 40 years of company history under the original founders of the corporation.

Who were these original founders? Sam R. Honegger as Chairman of the Board, has served as chief executive officer of the company since its incorporation until the sale in 1968. He has also been a director of

⁷⁸"Petroleum Resources Tenders Offer," The Fairbury Blade, cols. 7-8, p. 1 (November 4, 1968).

⁷⁹Ibid.

⁸⁰Interview with Sam R. Honegger, op. cit.

Honegger House, Inc., since its incorporation in 1951, and has been President and a director of Honegger Farms Co., Inc., since its incorporation in 1953. "Mr. Sam," as he is affectionately known by Honegger personnel, has many personal interests and investment in business and farming enterprises, many of which are unrelated to the Honegger business. He has been active throughout the Midwest for more than a third of a century in all matters dealing with agriculture and has held many committee memberships and directorates in local, state, and national agricultural groups.

Sam Honegger is an active member of the Apostolic Christian Church and through the years has been active in his personal and financial support of charitable and benevolent activities of the church and of other groups.

Though Sam Honegger has risen to high position in the business world as director of several large corporations bearing the Honegger name, he has remained a humble person. In fact, humbleness is a trait Sam Honegger pursued all his life. He was never too busy, while chairman of the board, to talk with employees. The most gratifying experience for Sam Honegger in his career with the company was in gaining "people's respect . . . when you can gain the respect of the employees, dealers, suppliers, and the respect they have shown to us. At the same time we've realized we must earn their respect by operating an honest, dependable business."⁸¹

An indication as to the type of person Sam Honegger is, is indicated in his answer to the question of his plans after sale of the

⁸¹ Ibid.

company became final:

You know we live fairly simply and don't require a lot . . . really. I'm going to do things that I have always wanted. We are back farming now. I've never liked bigger business. We are farming about 500-600 acres and I am having a lot of fun. I expect to do the things that Mrs. Honegger and I have always talked about doing Trying to keep up with scientific methods of farming today is quite a job and that's what I'm primarily interested in. I never did like to sit behind a desk and look at figures.⁸² I like to get out and move around and put ideas to work.

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Frank E. Honegger has never been quite active in the Honegger enterprises. He has been an officer and director of Honeggers' & Co., Inc., since its incorporation and Vice President and a Director of Honegger Farms Co., Inc., since its incorporation. Frank Honegger, like his brother, has many personal interests and investments in varied business and agricultural enterprises, many of which are on a partnership basis with his brother Sam. He is also active in local, state and national industry organizations, and he is also a member of the Apostolic Christian Church.

Frank Honegger's most gratifying experience with the company was:

Seeing people learn a better way to do things. It's a real gratifying and rewarding experience to go out and help people, talk with them, and listen to their points of view. I've enjoyed this and hope to continue making some field trips from time to time. We will be just as interested in Honeggers' & Co., Inc., as we were before and will do everything to help in the future in any way we can.⁸³

The founding brothers were willing to relinquish their control of and sell the company after 40 years because they wished to retire. Neither brother was particularly interested in running a giant corporation

⁸² Ibid.

⁸³ Interview with Frank E. Honegger, Director of Honeggers' & Co., Inc., December 10, 1968.

at any time in the history of the company. It was time, they decided, to turn the operations over to younger hands.

CHAPTER IV

SUMMARY AND CONCLUSIONS

Honeggers' Economic Contribution and Significance

As of December, 1968, Honeggers' & Co., Inc., has completed 40 years of service and business operation in the manufacture of formula feeds. In this length of time the contributions of the Company to the communities of which it is a part have been significant. Many larger corporations have made larger contributions to their respective communities and to the economy of the United States, but without Honeggers' & Co., Inc., at least one of the local communities, Fairbury, and probably several others would lose much.

For example, on the local level, Honeggers' & Co., Inc., has been until four years ago, the largest single employer in the Fairbury business community. Analysis of Table 12 will reveal that in the last 10 years, 1958-1968, Honeggers' & Co., Inc., have employed an average of 338 persons. Currently, December, 1968, the Company employs 246 persons, 117 of them in the Fairbury operation. Of the 117 persons employed in Fairbury, 57 persons are in the general office and 60 persons are in the mill.¹

Further analysis of Table 12 will reveal that in this same 10 year period, a total of \$16,217,258.09 in salaries was paid to these employees. Property taxes paid to the community totaled \$511,519.11

¹"Petroleum Resources Tenders Offer," The Fairbury Blade, cols. 7-8, p. 1 (November 4, 1968).

for this period. Federal income taxes paid in this 10-year period totaled \$860,345.00.

TABLE 12

NUMBER OF EMPLOYEES SALARIES INCOME TAXES AND
PROPERTY TAXES HONEGGER'S & CO., INC.
1959-1968^a

Year	Number of Employees	Salaries	Property Taxes	Income Taxes
	(number)	(dollars)	(dollars)	(dollars)
1959	498	1,499,906	35,944	324,026
1960	407	1,394,641	53,328	82,248
1961	464	1,583,723	55,369	190,550
1962	317	1,553,793	54,947	139,400
1963	282	1,458,939	45,226	0
1964	256	1,531,631	50,649	52,900
1965	284	1,581,186	56,715	0
1966	283	1,683,845	53,318	3,734
1967	304	1,852,394	42,984	67,497
1968	293	2,077,195	63,034	0
Ten Year Totals		16,217,258	511,519	860,345

Claim for Refund Federal Income Tax: 1963, 1965, 1968.
Table data includes consolidated subsidiaries of Honeggers'

^a Honeggers' & Co., Inc., Annual Reports, years ending June 30, 1959-1968, and Virgil Hulse, Special Report prepared for the author, July, 1968.

Another contribution of Honeggers' & Co., Inc., is the Central Farm Credit Corporation which provides capital and loan services to farmers of the trade area of the company.

Honegger's & Co., Inc. also offers other significant services to the local community. One of these is the supplying of a product, formula

mixed feed, in demand in the agricultural area services by the Company. Honeggers' have also been active as a leader in community projects such as fund drives, swimming pools, parks, and others. This support has been in the form of monetary contributions and in the contribution of personnel. From among the executive officers have come many of the local communities' individual civic and church leaders.

In the larger community of the United States, Honeggers is one of the 100 large manufacturers and suppliers of formula feeds. As such, the Company is providing a valuable service and product to the agricultural segment of the Middle West. The Company's income taxes, though not astronomically high, are important revenue for the Federal government.

In short, Honeggers' & Co., Inc., contributes its small share of employment, monetary income, business activity, and service to both the local communities which it serves, and to the larger regional and national communities.

Summary of Findings

In analyzing the data recorded in this thesis, the author has identified several significant factors behind the development of Honeggers' & Co., Inc. To begin with, this company was founded by two brothers as a direct result of their attempts to improve milk and egg production on their own farm. The two brothers are the sons of immigrant parents who came to this country in 1867 in search of a better way of life than they had formerly experienced. The growth of this company from a small, two-man partnership to a modern, large